

REMARKS/ARGUMENTS

Amendments

Before this Amendment, claims 1-23 were present for examination. Claims 1 and 12 are amended by this paper. No claims are canceled or added. Therefore, claims 1-23 are present for examination, and claims 1 and 12 are the independent claims. No new matter is added by these amendments.

Interview Summary

Applicants thank the Examiner for the cordial and productive telephone interview conducted October 2, 2008 with Applicants' representative, Mr. David W. Boyd. During that interview, the claims were discussed and compared with the cited Fortenberry and Fajkowski references, and various proposed claim amendments were discussed. It was agreed that the amendments presented by this paper would at least distinguish over the combination of Fortenberry and Fajkowski.

Rejection under 35 U.S.C. § 103(a)

The Office Action has rejected claims 1-23 under 35 U.S.C. §103(a) as being allegedly unpatentable over the cited portions of Fortenberry et al., U.S. Patent 6,336,098 ("Fortenberry") in view of the cited portions of Fajkowski, U.S. Patent 5,905,246 ("Fajkowski").

Independent claims 1 and 12 have been amended to further clarify the differences between the claimed invention and the systems disclosed in the combined references.

For example, claim 1 has been amended to recite that the steps of *making a determination by the host computer system based on the identifier whether the merchant party is one of the plurality of merchants; and returning validation information to the point of sale in accordance with the determination* are both performed *before completion of the transaction*.

Claim 12 has been similarly amended. This amendment finds support in the specification at least at paragraphs [0007] and [0031]. Neither Fortenberry nor Fajkowski describes this method.

Fajkowski emulates traditional paper coupons, and has no need to determine if a particular

merchant participates in a discount arrangement. Fortenberry describes redemption of an e-coupon on the Internet at a website that honors the coupon. (Fortenberry column 7 lines 18-20) Merchant information is used for tracking and analysis after the transaction is completed. (Fortenberry column 5 line 58 through column 6 line 22) Validation of the coupon is also described as taking place after the transaction. (Fortenberry column 6 lines 23-25)

Claim 1 has also been amended to recite that the discount instrument *identifier is read from the discount instrument at the point of sale*, and that the discount instrument *does not store a definition of the discount arrangements*. These changes find support in the specification at least at paragraphs [0031] and [0033]. Fajkowski describes loading coupon data, including a description of the coupon redemption requirements and value, onto a “coupon card”. (Fajkowski Abstract, Fig. 4b) Fortenberry’s “e-coupon” file includes a “benefit definition”. (Fortenberry column 4 lines 6-15)

Both of the independent claims, and consequently all of the dependent claims, include limitations not found in either Fortenberry or Fajkowski. These elements would not be obvious modifications of the systems of either Fortenberry or Fajkowski, because neither of them has a need to verify whether a particular merchant participates in a discount arrangement. Fajkowski uses a specially-equipped point of sale. The fact that a merchant has the special equipment indicates that it can read Fajkowski’s coupon card. Fortenberry describes redeeming an e-coupon at a website that is already configured to accept the coupon.

CONCLUSION

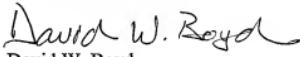
In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Appl. No. 10/688,065
Amdt. dated October 21, 2008
Reply to Office Action of July 23, 2008

PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,


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